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COUNTRY

East Cermany

DATE DISTR. January 5 1953

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SUBJECT Office of the Deputy Chief for Economic Affairs

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of the Ministry of the Interior

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SUPPLEMENT TO

REPORT NO.

1. On 6 October 1952, source learned that the Bureau for Economic Affairs had been replaced by the Office of the Deputy Chief for Economic Affairs attached to the Ministry of the Interior. The new office is headed by Major General Heinrich Heitsch. In addition to other missions, General Heitsch supervises the construction department of the Ministry of the Interior. This construction department is headed by VP Inspekteur Pressler (fnu) and is organized into special sections for planning, production, technology, finances, procurement of materials, and administrative affairs headed by Krause (fnu); Tollmann (fnu); Giess(fnu); Liebscher (fmu); Stoph (fmu), brother of the Minister of the Interior; and Gerhard Pietsch respectively. Pressler's first deputy is engineer Karl Koehler who stayed in the U.S.S.R. for several months; his second deputy is Stoph.1

- 2. In personnel matters the construction department, which is charged with the execution of military construction projects, is subordinate to the main cadre department on Rudower Chausses, Berlin-Adlershof.2 Eighteen construction headquarters, consecutively numbered from 501 through 518, are assigned to the construction department of the Ministry of the Interior. Construction headquarters are located at Stralsund, Wolgast-Sued, Wolgast, Rostock, Potsdam, Cottbus, Augustusbad, Berlin-Vohannisthal, Berlin-Niederschoenhausen, Kamenz, Erfurt, Halle, Dresden and Prenzlau.
- 3. Three Bauunion firms which will work exclusively for the national army have been established. Of these, Bauunion Mord is located in Glowe on Ruegen Island and headed by one Spiess (fmu); Baumnion Nordost is in Prenzlau; and Baumnion Sued is at 20 Zwickauer Strasse in Dresden and headed by a brother of Fritz Selbmann.3 The establishment of these three Remmion firms was estimated to cost 7 million eastmarks, 4.8 million eastmarks and 6 million eastmarks respectively.4
- 4. According to Plan B which covers improvement and enlargement work for Kasernierte Volkspolizei (RVP) installations, a total of 75 million eastmarks was allocated for 1952. Of this sum, 40 million eastmarks have been spent so far. Plan B also covers the construction projects at Torgelow, Eggesin and Niederlehme. About 16 million eastmarks were allocated in Plan H for the sea police, 8 million eastmarks in Plan D for the air police, and 14 million eastmarks in Plan F for berracks construction projects. The Dienst fuer Deutschland (labor service for Germany) has spent a sum of 70,000 eastmarks for the construction of camps.5

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<b>1</b> 。 25X1A	Comment. It appears that the Bureau for Economic Affairs which was formerly subordinate to the Minister President himself has been assigned to the Ministry of the Interior as an armaments agency. It is believed that this assignment was decreed for reasons of secrecy as in the case of the Ministry of the Interior/A (actually the Ministry for National Forces.)  The question whether the Deputy Chief for Economic Affairs within the Ministry of the Interior is independent of or subordinate to the Ministry of the Interior/A could not be determined. The fact that Major General Heitsch, previously known as Chefinspekteur and Chief of the main department for supply in the main department for the KVP, formerly HVA, was appointed deputy chief of economic affairs, indicates that this agency is predominantly charged with military matters. The same applies for the construction department of this ministry whose chief, VP Inspekteur Pressler, was the head of the construction department in the former HVA.
X1A2.	Comment. Probably the main cadre department of the main administration

25X1A2. Comment. Probably the main cadre department of the main administration for the KVP, formerly HVA. This item of information indicates that this department is now also in charge of personnel matters relating to the former Bureau for Economic Affairs. Definite information to clarify these organizational measures can only be expected after the fusion between sections of the Ministry of the Interior, the former Bureau for Economic Affairs and the main administration for the KVP has been completed.

25X1A 3.	Comment. Minister of Ore Mining and Meta
25X1A <sup>4</sup> °	Comment. The Bauumion Nordost in Prenzlau has been in existence since August 1952.  This firm is responsible for military
25X1A	construction work in the Prenzlau-Pasewalk-Eggesin-Torgelow area. It is not known when the Bauunion Nord was established. According to another source, the Bauunion in Potsdam was previously responsible for military
:	construction projects in the Prora area on Ruegen Island.  The establishment of a Bauunion Sued in Dresden indicates that military construction work will be started in this area. VP deserters stated that Dresden will be the seat of an Armeegruppe Sued which is going to be activated.

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25X1A 5. Comment. These data cannot be verified.

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